

## Good Corporate Governance Policy



JCK HOSPITALITY PUBLIC COMPANY LIMITED

*(REVISED EDITION)*

(Reviewed by the Board of Directors Meeting No. 12/2023, dated November 14, 2023)

## Good Corporate Governance Policy

The Company gives precedence to efficient, transparent, and verifiable management system, leading to confidence of all related parties and sustainable growth of the Company's business, to operate ethically and compliance with related laws. The Company has established a good corporate governance policy to enhance the existing operations to be in clear standard and distribute to the employees in all level in order to reinforce a culture of corporate governance.

The Board of Directors' Meeting held in 2023 reviewed and approved the corporate governance policy regarding position held in other listed companies of the Company's directors to be more practical for the business and adapt to the new situation.

In 2023, the Company performed its operations in accordance with good corporate governance, which is in line with 5 sections of the good corporate governance guidelines promoted by the Stock Exchange of Thailand (SET). Including reviewing the implementation "Good Corporate Governance Principles for Listed Companies 2017" (Corporate Governance Code: "CG Code") issued by the SEC to be adapted to suit the company as follows:

- Section 1 The Rights of Shareholders
- Section 2 The Equitable Treatment of Shareholders
- Section 3 The Role of Stakeholders
- Section 4 Disclosure and Transparency
- Section 5 Responsibilities of the Board of Directors

## **Section 1 The Rights of Shareholders**

The Company aware of the shareholders' fundamental rights and recognizes the importance of all shareholders both in terms of investors and owners of the Company, for instance the rights to buy, sell, and transfer shares held independently, the rights to share dividends from the Company's retained earnings, the rights to obtain relevant and sufficient information of the Company, the rights to participate in the Annual General Meeting of Shareholders, the rights to give their opinions, the rights to make decisions on the key issues of the Company such as dividend payment, the appointment or removal of directors, nomination of auditor, approval for important transactions that affect direction of the business operations, the amendment of the Memorandum of Association and/or the Articles of Association, etc.

In addition to the fundamental rights as stated above, the Company also encourages and facilitates the shareholders, including institute shareholders, to exercise of their rights to participate at the shareholders' meeting as follows;

1. As the Company is required to convene the Annual General Meeting of shareholders within four months from the last day of its fiscal year, the Company established the notice of Meeting specifying the venue, date, time, agenda and items with appropriate details to be proposed to the Shareholders' Meeting. The proposed items, submitted together with the comments of the Board of Directors, were identified clearly whether they are for information, approval, or consideration as the case maybe. The invitation letter was delivered to the shareholders and to Thailand Securities Depository (TSD) through the securities registration services, within 7 days before the meeting date or as specified by the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand. Furthermore, the invitation letter was published on the newspaper not less than 3 days before the meeting date according to the law. The Company also disclosed the invitation letter on the Company's website before meeting date so that the shareholders have sufficient time for consideration.
2. The Company encouraged the Board of Directors, the management, and relevant organizations, including the external auditor to participate in the Shareholders' Meeting simultaneously.
3. The Company provided the shareholders a chance for delivery any comment, suggestion, and questions to the Company prior to the Shareholders' Meeting date.
4. Before starting the Shareholders' Meeting, the Chairman clearly announced number and percentage of shareholders attending the meeting in person and by proxies, meeting rules and voting procedures in each agenda.
5. In the Shareholders' Meeting, before casting the votes in each agenda, the Company provided the shareholders a chance to share their opinions, suggestions, or questions independently and equally. The relevant directors and management attending the Shareholders' Meeting provided the answers for the shareholders. The key issues and comments were recorded in the minute of the Meeting for shareholders' verification.

6. For the election of Directors in the Shareholders' Meeting, the Company gave opportunity to shareholders to vote for directors, one by one, which shareholders are entitled to elect a qualified person to be the Company's director to protect their beneficial and for the diversification as well as to be the true representative of the shareholders.
7. In the Shareholders' Meeting, the Company shall run the Shareholders' Meeting by following the agenda provided in the notice of the Meeting. The Company did not add any agenda or change priority of them.
8. To be transparent and verifiable, the Company uses ballots for all agenda. In addition, the registration and vote submission of the Shareholders were carried out via computer system for quick and precise process. Additionally, the representative of the auditor was invited to be an inspector in the vote counting.
9. After the Meeting, the Company shall announce the voting result and the resolutions of the Shareholders' Meeting not later than 9.00 a.m. on the next business day after the Shareholders' Meeting date via the system of the Stock Exchange of Thailand (SET) and the Company's Website. The Company also established the minute of the Meeting with correct and complete information within 14 days after the Shareholders' Meeting date and then announced it via the system of the Stock Exchange of Thailand (SET) and the Company's website for the Shareholders' verification.

## **Section 2 The Equitable Treatment of Shareholders**

### **1. Agenda Proposal and Director Nomination**

The Company has policy to treat all shareholder groups whether are major, minor, management or non-management, with fair treatment. One or several shareholders continuously holding the Company's shares with the minimum amount of 2,000,000 shares for not less than 1 year and on the date of submission are allowed to propose additional agendas which deemed important and appropriate to the Annual General Meeting of Shareholders and to nominate persons who have knowledge, competency, and qualification for election as directors in advance of the Meeting. Thus, the Board of Directors shall consider and select such an issue for being an agenda of the Meeting. By this case, the Company has determined clear criteria of entitlement and announced to the shareholders via the Company's website.

### **2. Appointment of Proxy in the Shareholders' Meeting**

The Company sent Proxy Form B. determined by Ministry of Commerce, together with the notice of the Meeting so that shareholders can appoint other persons as their proxy to attend the meeting and vote on their behalf in the case that they are unable to attend the meeting. In this regard, in case those shareholders prefer to use Proxy Form A. or Proxy Form C., they can download such a Proxy Form from the Company's website. Shareholders independently decide to select any proxy form as they prefer, however the

Company encourages shareholders to use Proxy form B. since they can specify the voting for each agenda item by themselves. In addition, the Company proposed an independent director to be appointed as proxy, attached together with the invitation letter.

**3. Preventive Measures for Abusive self-dealing in the Use of Inside Information by themselves or others**

To ensure fairness and equality for all stakeholders, the Company strictly controlled the use of inside information to prevent abusive self-dealing. The Company has established guidelines in written to maintain inside information of the Company and to protect the use of internal information for personal benefits. Directors, managements and staff are prohibited, by using the Company's confidential/inside information, from trading the Company's securities and/or enter to any juristic acts directly or indirectly harmful to the Company.

Directors, managements and staff who can access to inside information are prohibited to utilize such information before disclosure to the public. Within one month before the Company discloses its' quarterly or year-ended financial statements and one day after the disclosure date, every person involves to inside information is prohibited from trading the Company's securities by himself/herself, spouse and their immature children both direct or indirect trading (such as trading with nominee through private fund).

The Company has imposed disciplinary penalty on the person seeking benefit from utilizing or disclosing inside information that may cause damage to the Company by penalizing that person as reasonable for the case, including verbal warning, written warning, probation, as well as termination of employment by way of dismissal, removal or discharging, as the case may be.

**4. Conflict of Interest Management**

The Company has determined guidelines to handle conflict of interest issues transparently and verifiably, especially consideration of transaction between the Company and stakeholders or any relevant party. Once there was conflict of interest issue, the person who related to the issue must report the Company immediately without taking any part in consideration or vote in the issue. In addition, the Company has determined guidelines to prevent the relevant director or management who has gain or loss in such an issue take part in consideration of the transaction and shall not be entitled to vote in such an issue.

**Section 3 The Role of Stakeholders**

**1. Treatment of Each Stakeholder Group**

The Company takes majority in concerning the rights of all stakeholder groups, include internal stakeholders i.e. shareholders, management, and employees of the Company, or external stakeholders i.e. creditors, clients, suppliers, competitors, public sector, society and community etc. Thus, the Company shall perform in accordance with related laws and regulations to take a good care of the stakeholders' rights.

In addition, the Company always operates its business by concerning of the rights of all stakeholders according to the guidelines present in the Code of Conducts Manual.

The Board of directors realizes an importance of communicating the Company's operation with all stakeholders which is a crucial component of good corporate governance process. The Company provides a range of communication channels suitable for each stakeholder group to access to the information equitably, quickly and efficiently as well as using technology in communication.

## **2. Anti-Corruption Policy**

The Company has recognized the importance of management and conducting business under the principles of good governance. By adhering to the principles of conducting business with honesty and transparency. Therefore, the anti-corruption policy has been established for the directors, executives and employees to avoid any actions that may be related to corruption, whether for direct benefit or indirectly to oneself, family, friends, or any person related to oneself.

### **1. Scope**

1.1 This policy applies to all directors, executives, employees and employees of the Company.

1.2 The Company will ensure that the any person acting on behalf of the Company complies with this policy.

### **2. Duties and responsibilities**

2.1 The Company's Board of Directors is responsible for considering and approving the anti-corruption policy and assigning the management be responsible for supervising the implementation of anti-corruption policies.

2.2 Audit Committee is responsible for reviewing the internal control system audit report and assessing the risk of corruption as proposed by the Internal Audit Department to ensure that the system is at the risk of creating opportunities for corruption that will affect the financial position and the operating results of the Company and is also appropriate to the Company's business model.

2.3 Chief Executive Officer and the management have duties and responsibilities for supervising and communicating to all employees and related parties to ensure that the policy is implemented seriously and strictly. Including the need to review the appropriateness of the anti-corruption policy to suit the changes in the business or legal requirements and present to the committee.

2.4 Internal Audit Department has to perform duties in accordance with the established internal audit plan and submit a report on the internal control system audit and corruption risk assessment that might arise from the inspection of the internal control system to the Audit Committee for acknowledgment.

Including having to perform tasks as assigned by the Audit Committee. In the matter of investigating corruption related to the Company. In addition to the internal audit plan that has been established.

### **3. Whistleblowing and Complaint Channel**

The Company has managed the channel for stakeholders enabling to send their suggestions, opinions, queries, and complaints directly to our Chairman at email address : [chairman@jckhgroup.com](mailto:chairman@jckhgroup.com) or via the Company's website or suggestion box at branch restaurant or direct phone call according to telephone number as posted at every branch restaurant or postal mailing to the Chairman of the Board of Directors, JCK Hospitality Public Company Limited, No. 18, Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok 10120.

The Company shall proceed with its investigations pursuant to the procedure and record the outcomes in writing without disclosure of whistle-blower's name including keeping complaint filing confidentially for protection of contingent impact toward that whistleblower.

## **Section 4 Disclosure and Transparency**

The Board of Directors has strong determination to reveal correct, complete, updated, and reliable information necessary for making decisions of the investors and stakeholders, while adhering to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company has conducted the Company's information as follows:

- Prepare financial report and the Management Discussion and Analysis (MD&A) as supplement of financial statements disclosure on quarterly basis and disclosed via the Company's website as well as SETs online.
- Disclose shareholding of directors and executives in the Annual Report and Annual Disclosure Information. In addition, the Company has a policy requiring directors and executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company's secretary shall coordinate on submission of such a report to the Stock Exchange of Thailand and the Securities and Exchange Commission. It is also specified that any change of such securities holding of directors and executives shall be reported to the Board of Directors' Meeting quarterly.
- Disclosed connected transactions or transactions which might have conflicts of interest of directors and executives and reported to the Board of Directors for approval or acknowledge quarterly.

- Provided several channels for information disclosure, which were SET's Communication system, Annual Report, Annual Disclosure Information (Form 56-1), the Company's website in both Thai and English language, research analysts, investors visiting the Company, interviewing of the executives, and press release i.e. newspaper. Furthermore, the Company assigned the investor relations to answer any questions of investors, securities analysts, news reporters, and people in general on regularly basis, which can be contacted by telephone number 0-2286-9959 ext. 8807 or e-mail address: [cs@jckhgroup.com](mailto:cs@jckhgroup.com) or on the Company's website: <https://jckh.listedcompany.com/cg.html>

The Company gives opportunities to institutional investors, retail investors, and securities analysts to attend meetings with the management to ask questions about business operations, performance, and business trend. In 2023, no investors and securities analysts requested for meeting with the Company's management.

## **Section 5 Responsibilities of the Board of Directors**

### **1. The Board of Directors' Structure**

#### **1) Composition of the Board of Directors**

The Board of Directors composed of the persons with diversity including knowledge, profession, skill, gender, competency, and experience that are beneficial to the Company. The Board takes an important role in establishing the policy and overview the organization and business plan as well as overseeing, auditing and assessing the Company's operating result to comply with the plan and in accordance with laws, regulations, and resolutions of the Shareholders' Meeting. The Board concerns in integrity, business code of conduct, controlling of the management's administration to meet specified goal and procedure including to maximize profits for the Company and shareholders.

#### **2) Appointment of the Audit Committee**

The Board of Directors has appointed the Audit Committee to support in corporate governance of the Company. The Company has clearly segregated roles, duties and responsibilities of the Board of Directors, the Audit Committee, and the Executive Committee. The Audit Committee shall make decision independently, conduct its special assignment and propose it to the Board of Directors for consideration or acknowledge according to the defined authority.

#### **3) Segregation of roles and responsibilities of the Chairman and the Chief Executive Director**

The Company has determined that the Chairman of the Board of Directors and the Chief Executive Officer shall not be the same person in order to clarify responsibilities among policy establishment, supervision, and day-to-day administration with clear segregation of roles, duties and responsibilities between the Board of Directors and the Executives in order to enhance balance of operating



power. The Board of Directors has duties to establish policy and supervise the executives' operations in policy level, whereas the executives have duties to manage operation pursuant to specified policies.

4) Election and Term of Office

The Board of Directors shall hold the position for a certain term in accordance with the determination in the Articles of Association. In every subsequent year of the Annual General Meeting of Shareholders one-third of the directors, who have been in the longest role in office, shall retire. In the case that the number of directors cannot be divided by three, then refer to the closest number. However, the retired directors are eligible to be re-elected for another term by obtaining majority vote. The Company has determined the terms of the Independent Directors that they can serve on the directorship no longer than 9 years.

5) Position of Directors in other listed companies

According to the Company's policy, each director shall take positions in listed companies not more than 5 companies.

6) Position of Executive Directors and the Chairman of Executive Committee in other

listed companies The Company has no policy to allow directors who are also executives and the Chairman of Executive Committee to be in positions in other listed companies (except for subsidiaries and associated companies of the Company), unless they are approved by the Board of Directors.

7) Appointment of the Company's secretary

The Board of Directors shall appoint the Company Secretary to take roles and responsibilities set by the Securities and Exchange Act.

**2. Roles, Duties, and Responsibilities of the Board of Directors**

**To Consider and Approve key matters in the Company's operation**

The Board of Directors shall consider and approve key matters in the Company's operation i.e. vision and mission, strategy, action plan, and budget; as well as supervise the management to comply with the designed policy and plan effectively and efficiently. Vision and Mission shall be reviewed and approved in annual basis and announced to all department managers to be aware and execute appropriately.

**To Segregate roles and responsibility between formulation of policy and daily administration**

The Board of Directors has clearly segregated roles and responsibility in formulation of corporate governance policy from daily administration. The Chairman of the Board of Directors and Chief Executive Officer shall be elected by the Board of Directors. The Board of Directors shall not appoint same person to attain the position of the Chairman of the Board of Directors and Chief Executive Officer. The Chairman of the Board of Directors will not cooperate on day-to-day operations, instead to provide regularly

support and opinion on business operations through the Chief Executive Officer while the Chief Executive Officer shall be responsible for overall management within the authority assigned by the Board of Directors.

**Scope of Authority and Responsibilities of the Chairman of the Board**

- 1) Act as the leader and take crucial role in making a decision of the Company's policy which the Board of Directors' meeting and the executives jointly consider and set business goal. The Chairman of the Board also consistently support and advise on the business operations to the management through the Chief Executive Officer.
- 2) Lead the Board of Directors' meeting in effective and efficient manner. Allow enough time for the management to present and for the board to discuss material issues carefully in all aspects. Encourage all directors to participate the meeting and give their opinion independently. The Chairman of the Board and the Chief Executive Officer will jointly establish the meeting agenda. Ensure that all important agenda matters are set for the meeting. Opportunities given to each director to purpose any agenda if applicable. The Chairman of the Board will cast the decided vote in case the Board of Directors' meeting has a tie vote.
- 3) Act as the Chairman of the shareholder's meeting and control the meeting to comply with the Company's Article of Association and specified Agenda of the meeting.
- 4) Ensure and monitor that all directors engage in promoting corporate culture of ethic and good governance.
- 5) Strengthen relationship between executive directors and non-executive director, and between the board of directors and management team.
- 6) Ensure and monitor that director perform their duties efficiently to achieve main objective and goal of the company.
- 7) Promote the creation and utilization of innovation and technology to enhance competitive capability and response to the need of stakeholders based on corporate social responsibility.

**Authority and Scope of Duties of the Chief Executive Officer**

- 1) Supervise and approve the overall operations and/or daily administration according to the Company's objectives, Articles of Association, regulations, direction and resolutions of the meetings of the Board of Directors and shareholders.
- 2) Formulate policy, business plan, budgets, management structure and level of authority to be proposed to the Executives Committee for consideration before proposing to the Board of Directors for approval.
- 3) Perform duties according to the Company's policies, plans, and approved budget.

- 4) Having authority to recruit, assign, rotate, promote, suspend, dismiss and determine salary rate and other remunerations including commission, wage and salary increment and bonus of the Company's employees.
- 5) Have authority to issue, amend and update commands, regulations, records and work rules to comply with the policies and interests of the Company as well as to maintain the discipline in the workplace.
- 6) Have authority to approve purchase order, employment contract, rental/leasing agreement of fixed assets for an amount not exceeding Baht 5 million, disposal of fixed assets for an amount not exceeding Baht 2 million including authority to approve the transfer of fixed assets between departments or branches.
- 7) Have authority to approve purchase requisitions/purchase orders of fresh food, dried food, disposal items, equipment for an amount exceeding Baht 1 million, including authority to add products categories, adjust product's price, improve product sales standard (e.g. weight, shape, etc.)
- 8) Develop organization and human resource consistently to the utmost quality and performance, foster and maintain a good image of the Company.
- 9) Perform other duties as assigned by the Board of Directors and/or the Audit committee.

Either the authority of the Chief Executive Officer or other persons authorized by the Chief Executive Officer does not include the power or authority to approve any related transactions that the Chief Executive Officer or the substitutions and their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction has to seek for approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

### **Corporate Governance Policy**

The Company has established a written corporate governance policy which the Board of Directors Meeting No. 1/2011 dated July 18, 2011 approved the said corporate governance policy. The Board has regularly reviewed the policy and its implementation. The Company communicates so that everyone in the organization understands the good corporate governance policy correctly to encourage everyone in the organization to comply with the specified policies.

### **Code of Conduct**

The Company has established Code of Conduct in writing in order to properly comply with the standard of performance and show the intention to conduct business with transparency, honesty, and have moral responsibility towards stakeholders. It is used and disseminated to employees as a guideline for working and conducting the business correctly which reflect Vision, Missions, values and operational guidelines that all

directors, executives and employees should conduct themselves and operate in accordance with the ethical framework set forth in various fields, namely:

- (1) Ethics for Treatment toward Stakeholders including shareholders, employees, customers, business partners, creditors, business competitors, society, community and environment.
- (2) Ethics for Compliance with law, rules and regulations and observing customs, traditions, and good morals.
- (3) Ethics for Respect for Human Rights.
- (4) Ethic for Avoidance of Infringement of Intellectual Property.
- (5) Ethics for Anti-Corruption.
- (6) Ethics for Receiving and Offering Gifts, Properties or Other Benefits.
- (7) Ethics for Conflicts of Interest.
- (8) Ethics for Keeping Confidential Information, Use of Internal Information and Trading of the Company's Securities.
- (9) Ethics for Protection of the Company's Properties
- (10) Ethics for Internal Control
- (11) Ethics for Distribution of information and Interviews with the Press or the Public
- (12) Ethics of Directors and Executives
- (13) Ethics of Employees

In this regard, the Company has announced and notified all directors, executives and employees for their acknowledgment and adherence to the Code of Conduct strictly. The Code of Conduct is also designated as one of the topics for new employee orientation and is also published on the Company's website.

### **Conflict of Interest**

The Board of Directors has established a policy on conflicts of interest by stipulating those directors, executives and employee, including those related to such persons, are not allowed to seek personal benefits that conflict with the Company's interests, avoid actions that cause conflicts of interest. Therefore, any person who is related to or connected to the considered transaction must inform the Company of their relationship or connection with the said transaction and must not participate in the adjudication including no approval authority in that transaction.

The Audit Committee will present to the Board of Directors about the connected transactions and the transactions with conflicts of interest which has been carefully considered suitability. The Company has strictly complied with the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding pricing and conditions with a person who may have a conflict of interest as a transaction with a third party by disclosing the transactions in the financial statements and Annual Report (Form 56-1 One Report).

### **Internal Control**

The Board of Directors attaches great importance to governance and internal control, and risk management both at the management level and at the effective operational level. The internal control system and risk management are important mechanisms to build confidence in the management in reducing business risks and helping to run the business efficiently by allocating resources appropriately and achieving the goals, help protect assets from leakage and lost from corruption, make financial reports accurate and reliable. Personnel comply with relevant laws and regulations as well as to protect the investment of shareholders. Therefore, the Company has determined the duties and powers of the operators and executives in various matters clearly in writing. There is a control over the use of the Company's assets to benefit and there is a separation of duties between operators and followers, control and evaluation in order to achieve proper balance and check between each other.

The Board of Directors has assigned the Audit Committee to be responsible for reviewing the suitability and efficiency of the internal control system and the risk management system provided by the management including the preparation and review of the control system both operational financial reporting compliance with rules, regulations, policies and governance as well as managing risks and also pay attention to early warning signs and unusual transactions.

In this regard, the Company has hired outsiders to act as auditors on the Company's internal control system, namely Dharmniti Internal Audit Company Limited, which audits to ensure that the Company has adequate and appropriate internal control systems and reports the results directly to the Audit Committee for internal auditors to be independent and be able to perform full checks and balances. The Chairman of the Audit Committee will report the quarterly audit results of the internal auditors to the Board of Directors for acknowledgment and used to fix and improve the problematic part The Company has regular monitoring and evaluation. There is an assessment of the sufficiency of the internal control system at least once a year to assure that the established system can operate efficiently. In this regard, the Company assigns the Company Secretary to act as a liaison between the internal auditors and various departments in the Company.

### **Committee Report**

The Board of Directors is responsible for the Company's financial statements. and financial information appearing in the annual report. The Audit Committee has been assigned to review financial reports and to ensure that financial reports are prepared with quality and accuracy according to generally accepted accounting standards by choosing an appropriate accounting policy and practice regularly. The Company's important information is disclosed transparently and sufficiently. The financial statements are prepared in accordance with accounting standards certified and audited by EY Office Limited, which is the Company's auditor. Disclosure of important information is done on the basis of complete and consistent facts.

**3. The Board of Directors' Meeting**

- 1) The meeting dates shall be annually scheduled in advance and notifies to the Board of Directors for acknowledgement. The meeting shall be arranged at least every 3 months. The special meeting may be hold as necessary with specified agendas in advance including the agenda which may requires follow up on regular operations. The Company Secretary shall send the Meeting's invitation to the Board of Directors at least 7 days before the meeting date so that the Board of Directors have sufficient time to review the information sufficiently. Except the emergency case which the meeting may be appointed without proper notice in order to preserve the rights and benefit of the Company.
- 2) The Chairman of Board of Directors and the Chief Executive Officer shall determine the agendas of the meeting together and shall give the opportunity to each director to propose the agendas to consider in the Board's Meeting.
- 3) At the meeting, it requires the minimum of attendance with not less than one-half of the board's members shall constitute a quorum.
- 4) The Chairman of Board of Directors who acts as the president of the meeting will allow all directors to express their opinion independently during the consideration of each agenda. In some agenda the senior executives may be invited to attend the meeting in order to clarify and provide additional information for the proposed agenda as well as to acknowledge the defined policy in order to implement and practice efficiently.
- 5) In considering various matters - the Chairman of the Board of Directors acts as the chairman of the meeting will give the opportunity to the directors to express opinions in some agendas, senior executives related to the proposed agenda may also attend the meeting to clarify and provide additional details. Including getting to know the policy directly in order to be able to put it into the right practice effectively.
- 6) To form a quorum at the time of the Board passing a resolution, at least 2/3 of the total number of directors must be presented. The resolution of the Board of Directors' Meeting shall be adopted by the majority votes. Each director shall have one vote. A director who has conflicts of interest on a given matter shall not allow to attend the meeting and has no right to vote for the related agenda. In case of an equality of vote, the Chairman of the meeting shall have a casting vote. In the case that any directors disagree with the resolution, either he or she can request the Company's Secretary to record his or her objection in the Minute of Meeting or he or she can submit the objection notice directly to the Chairman.
- 7) Every director has the right to investigate supplementary documents of the meeting and other important documents. In case the Independent Directors or the members of Audit

Committee have any query, other directors as well as management shall provide answers as quickly and completely as possible.

- 8) The Company Secretary shall take minutes of the meeting and submit to the Chairman for approval and certified by signature, then allow each director to grant in the next meeting. In addition, the Company Secretary will manage information or documents related to each meeting properly to enable to review easily in future.
- 9) All the Board of Directors normally attends the meeting, except for necessary cases which shall be notified in advance before the meeting date.
- 10) As policy, the Board of Directors shall allow those non-executive directors to have an opportunity to arrange a meeting among themselves as deemed necessary in order to discuss about any crucial management issues without the presence of the Executive Committees and inform the result of the meeting to the Chief Executive Officer later.

#### **4. Self-assessment of the Board of Directors**

The Board of Directors arranges for its own performance assessment once a year by assessing the performance of the Board of Director both individually and individually including evaluating the performance of sub-committees the topics and criteria for the assessment are consistent with the guidelines recommended by the Stock Exchange of Thailand to be appropriate for the organization. The Company secretary sends the assessment form to each director for evaluation. When the results of the evaluation have been concluded. The committee has determined ways to improve collaboration and allow all directors to express their opinions independently.

#### **5. Remuneration**

The Company has set the remuneration policy for the Directors and Executive Committee in suitable level by considering the Company's performance and consistent with the same business or industry including suitable with the duties and responsibilities of each Director or Executive Committee member in term of remuneration and/or salary.

##### Remuneration of Directors

The Annual General Meeting of Shareholders shall approve the remuneration of directors consisting of remuneration for the Board of Directors and the Audit Committee.

##### Remuneration of Chief Executive Officer and Executives

The Company carefully determines the proper remuneration to executives of the Company in a competitiveness compared to the same industry to retain qualified executives with the Company. Executives assigned more responsibilities will gain higher remuneration suitable more duties and responsibilities.

## **6. Development of Directors and Executives**

The Board of Directors specifies that whenever there is a new director, the Company's Secretary shall provide documents and useful information which shall be beneficial to the duty operation of the new director such as code of conduct manual, good corporate governance policy, charter, annual report, shareholding structure, management structure including relevant rules and regulation. In addition, the Company's Secretary shall arrange the orientation by the management to the new director about business nature and business operation of the Company. The Board of Directors supports and facilitates directors, executives, the Company's Secretary and investor relations to attend training or seminar courses arranged by the Thai Institute of Directors (IOD) regularly, the Stock Exchange of Thailand, the Securities and Exchange Commission or other independent organization in order to increase knowledge and improve their performance.

## **7. Succession Plan**

The Board of Directors supervises the establishment of a succession plan at the Chief Executive Officer level and executives in the main position. The suitability is reviewed every year by considering the performance, work plan to present guidelines for action and potential of each individual.

## **8. Evaluation Chief Executive Officer**

The Board of Directors provides an evaluation of the Chief Executive Officer's performance to Good Corporate Governance Policy compare with the performance. The Board of Directors has assigned the Chairman to report the assessment results to the Chief Executive Officer and Board of Directors.

### **The Board of Directors**

#### **1. The Board of Directors**

##### **Tenure of the Board of Directors**

At the AGM each year, one-third of members of the Board shall retire. If such number cannot be divided exactly into one-thirds, then the number of directors to retire shall be the nearest to this one-third fraction. In every subsequent year, however, the director (s) who has held the longest term in office shall be the person(s) to retire. The director(s) vacating the office may be re-elected.

##### **Scope of authority and responsibilities of the Board of Directors**

- 1) Carry out all the Company's businesses in compliance with the legal requirements, the Company's objectives and Articles of Association, as well as the resolutions of the Board of Directors and shareholders with responsibilities, carefulness and honesty while preserving the Company interests.



- 2) Formulate vision, policies, business strategies, and good corporate governance policy, including implement them in efficient manner.
- 3) Set up business plan, organization and management structure, authorization, annual budget and annual operating budget as well as supervise operations and performance of management team or any person whom is assigned to perform such a task, to ensure compliance with prescribed policies and plans.
- 4) Consider and approve on bank accounts opening, loan or credit acquisition from financial institutes, payment or spending for general business transactions of the Company, such as expenditure for investment, branch expansion and other operations etc.
- 5) Consider, appoint and assign role and responsibilities of Audit Committee, Executive Committee and/or other sub-committees as suitable and necessary to oversee specific business, the Company's benefits, and administrative systems to coincide with the Company's policy.
- 6) Evaluate management performance consistently, appoint and dismiss the Company's executives such as Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other executives as well as control payment mechanism of remuneration for executives and employees suitably.
- 7) Appoint the Corporate Secretary to assist the Board of Directors to carry out business in conformity with related laws and regulations.
- 8) Arrange appropriate accounting systems, financial reports and accountability auditing, oversee the internal control and internal audit to be efficient and effective, as well as ensure that the Company has been governed in accordance with principles of good corporate governance.
- 9) Oversee the risk management system to be broadly effective, and provide efficient risk management processes, its reporting and monitoring process. 10) Report responsibility of the Board of Directors in the financial report and present together with the auditor's report in the annual report of the Company.
- 11) Equitable treatment to both major and minor shareholders for their rights and benefit. Report important information of operating result and financial report to all shareholders and stakeholders correctly and in compliance with applicable laws. In the event that there is any conflict of interest with any agreement with the Company or either increment or reduction to the shares in the Company or its subsidiaries (if any), the directors must inform the Company without any delay. In addition, if any directors who may have conflict of interest involve in any business transaction with the Company or its subsidiaries (if any), such directors are prohibited to vote for approval of such transaction.
- 12) Manage to have clear and transparent process of connected transactions between the Company and related persons to prevent conflict of interest, to disclose correct and sufficient information and regularly report to the Board of Directors.
- 13) Approve and/or give feedback to connected transaction, acquisition or disposal of assets, investment and any operations of the Company including its subsidiaries (if any) to be in accordance with

applicable laws, announcement, notifications and regulations; except the issue is specified by laws to seek approval from the shareholders' meeting.

- 14) Independent Director and Audit Committee Member shall not have signing authority unless it is presented that the signing is on the matters as previously.

The Board of Directors may authorize one or many members of the Board of Directors to carry out duties in lieu of the Board of Directors. However, such authorization shall not fall in to any characteristic that grant power to directors or substitute persons to approve any transaction that such directors or substitute persons or their associates who may have conflicts of interests or any other benefits with the Company or its subsidiaries (if any) unless such transactions were approved in accordance with the policy and principle given and approved by the shareholder's meeting.

#### **Approval Authorities of the Board of Directors**

- 1) Approve the Company's business plan, corporate structure and management authority.
- 2) Approve annual budget and annual operating budget.
- 3) Approve bank accounts opening and loan or credit acquisition from financial institutes in the amount over approval authority of Executive Committee.
- 4) Approve to hire, appoint and dismiss Chief Executive Officer and Deputy Chief Executive Officer, appoint executive officers as well as to evaluate performance of Chief Executive Officer.
- 5) Approve salary structure, welfare and other benefits.
- 6) Approve policy regarding fixed assets.

## **2. Audit Committee**

#### **Tenure of the Audit Committee**

Tenure of the Audit Committee is 3 years except the case of retirement by rotation according to the Company's Articles of Association and they may be re-elected.

#### **Authority of the Audit Committee**

- 1) Perform according to the scope of duties and responsibilities. The Audit Committee is authorized to invite members of the management, executives or related staffs of the Company to report, give opinion, attend the meetings or provide any required documents if necessary.
- 2) Authorize to hire external independent advisor to advise or give opinion if necessary whereas the Company is responsible for the consultant fee which is specified in the Company's policy.
- 3) Audit Committee Member shall not have signing authority unless it is presented that the signing is on the matters as previously approved by the Board of Directors and the signatory is jointly signed with

another Director.

#### **Scope of Duties of Audit Committee**

The Audit Committee directly reports to the Board of Director and their scope of duties and responsibilities shall be assigned by the Board of Directors. The Audit Committee shall report to the Board of Directors as follows:

- 1) Review the Company financial report to ensure that it is accurate and sufficient to disclose. Cooperate with external Auditor and executives whom responsible for financial reports issued in quarterly and annually basis.
- 2) Review the Company's internal control system, internal audit system and risk management system to ensure their appropriateness and effectiveness.
- 3) Review the operational performance in accordance with laws of Securities and Exchange, regulations of the Stock Exchange of Thailand and other related laws.
- 4) Consider the independence of internal auditor as well as appoint, transfer and dismiss the chief of internal audit unit or any other units in charge of internal audit.
- 5) Consider the selection, nomination, appointment and dismiss an independent person to be the Company's Auditor as well as consider the auditor's remuneration before proposing to the Board of Directors for consideration and submit to the shareholders' meeting for approval. The Audit Committee shall attend meetings at least once a year with the external auditors without executives present.
- 6) Consider related transaction or transactions that may lead to any conflict of interest in compliance with laws and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to ensure that such items are reasonable and give the highest benefit to the Company.
- 7) During performing its duties, if the Audit Committee detects or suspects any doubtful transaction or activities as shown below that may significantly affect the Company's financial status or operating result, the Audit Committee should report to the Board of Directors in order to resolve such transactions or activities promptly.
  - Conflict of interest transactions;
  - Corruption or abnormal transactions, or any fault which is significant in the internal control system of the Company;
  - Violation or infringement of Securities and Exchange Laws, Regulations and Proclamations of Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and Capital Market Supervisory Board as well as applicable laws.

If the Board of Directors or the Executives cannot promptly resolve such transactions or activities, members of the Audit Committee may report the findings to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 8) If the Company's auditor detects any doubtful events related to a director, manager or any person in charge of the Company's operating result that might violate the law and reports such events to the Audit Committee, the Audit Committee shall promptly inspect and report the outcome of preliminary audit result to the Office of the Securities and Exchange Commission and the auditor within 30 days after receiving the report from the auditor.
- 9) The Audit Committee's report signed by the Chairman of Audit Committee shall be disclosed in the Company's annual report and consists of at least the following information.
  - (a) Opinion on the accuracy, sufficiency and reliability of the Company's finance report.
  - (b) Opinion on the sufficiency of the internal control system.
  - (c) Opinion on the compliance to the laws of Securities and Exchange, regulations of the Stock Exchange of Thailand or related applicable laws
  - (d) Opinion on the appropriateness from the auditor.
  - (e) Opinion on the conflict of interest's transactions
  - (f) Number of the Audit Committee's meeting and meeting attendance of each member.
  - (g) Opinion or remark of overview observation which the Audit Committee has obtained while performs its duties pursuant to the Charter.
  - (h) Any other transactions under the scope of duties and responsibility as assigned by the Board of Directors, if the Audit Committee consider appropriate to inform the shareholders and investors.
- 10) Review the Audit Committee's charter annually and propose to the Board of Directors for approval.
- 11) Evaluate the performance of the Audit Committee annually and report to the Board of Directors.
- 12) Any other businesses as assigned by the Board of Directors.

The Board of Directors has power to revise or change the scope of duties and authorization of the Audit Committee as necessary and appropriate.

### **3. Executive Committee**

#### **Tenure of the Executive Committee**

Tenure of the Executive Committee is 3 years and members of the Executives Committee who retires by rotation may be re-elected.

**Authority of the Executive Committee**

The Executive Committee reports directly to the Board of Directors with authority, duties and responsibilities as assigned by the Board of Directors as per the following;

- 1) Govern and manage the business of the Company as assigned by the Board of Directors.
- 2) Determine the Company's policies, strategies, business plans, budgets and annual operating budgets and submit them to the Board of Directors for approval.
- 3) Consider and determine the Company's organization chart, level of authorities, remuneration of directors and executives as well as employees' salary structure, welfare and other benefits prior to propose them to the Board of Directors for approval.
- 4) Consider and approve capital expenditure not specified in annual operating budget or cost over annual operating budget with the total amount not over Baht 20 million per year and approve on extra from the annual operating budget not over Baht 10 million and report such approved transactions to the Board of Directors for acknowledgement.
- 5) Consider and approve the Company's loan or credit line not over Baht 30 million per annum. In case of excess the determined limit, the Executive Committee shall propose to the Board of Directors for consideration and approval.
- 6) Consider and approve operations plans such as production and procurement policy, sales strategies and price structure as well as branch opening/closing etc.
- 7) Manage the risk of the Company's operating activities by establishing risk management policy as well as monitoring and evaluating risks in order to propose to the Board of Directors.
- 8) Having authority, duties and responsibilities to make decision and direct under the scope of authorities assigned from the Board of Directors and pursuant to the level of authorities approved by the Board of Directors' meeting.
- 9) Examine and monitor the Company's operating results compliance with the Company's policies, business plans and management guidelines approved by the Board of Directors to ensure their efficiency and effectiveness.
- 10) Any other duties as assigned from time to time by the Board of Directors.

Either the authority of the Executive Committee or other persons authorized by the Executive Committee does not include the power or authority to approve any related transactions that the authorized persons or their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction requires the approval from the Board of Directors' meeting and/or the shareholders' meeting as the case may be and in compliance with the Company's Articles of Association or

relevant laws.

### **Nomination of the Directors and Executive Committee**

The Company doesn't have Specific Recruitment Committee for the Directors and Executive Committee. Therefore, the Company recruits the Director and Executive Committee by appointing the meeting among the current Executive Committee members to identify the qualified member who have the sufficient knowledge, skills, specific expertise, genders, ability experiences which may enhance the Company's business and must have fully qualification specified under the section no. 68 of Public Limited Company Act B.E. 2535 (A.D. 1992) pursuant to related notifications of Securities and Exchange Commission. These qualifications as follow;

#### **1) The Independent Directors**

Either the Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint the Independent Directors to be a part of in the Board of Directors. The Company has the policy to nominate the Independent Directors not less than 1 of 3 of the entire Board of Directors, but not less than 3 Independent Directors

The criteria of the Independent Directors' selection are compliance with the criteria of the Director's Selection defined under the Company's policy. The qualification of the person who is entitled to be the Independent Director shall consider from the qualification and incompatibility pursuant to Public Limited Company Act and Securities and Exchange Law as well as relevant proclamations, regulations and/or rules. The nominated Independent Directors who obtain the qualified educational background, specific expertise, working experiences and other related qualifications shall be proposed to the Shareholder's meeting to consider for selection as the Company's Directors. In case any Independent Director may resign before to his/her expired term of the office, the Board of Directors may select the qualified Independent Director who obtain the qualification as specified above to replace the resigned Independent Director. Whereas the substituted Independent Director shall hold the title at the office only for the remaining term of the office of that resigned Independent Director whom he /or she replace.

The Board of Directors determines the qualifications of Independent Directors as follows:

1. Holding the Company's share not over 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, it also includes the number of shares hold by the bloodrelated persons of the Independent Directors.

2. Neither being the Company's Director nor used to be the Director who take part in managing the Company's business, as well as not being the employee, full time consultant with paid salary, or the

controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

3. Neither being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including not being the spouse of the children of the Executive Committee, major shareholders, controlling persons as well as not being the persons who will be nominated as the Executive Committee or controlling person of the Company or subsidiaries.

4. Neither having nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of the independent judgment as the Audit Committee member. Moreover, the Audit Committee member must neither being nor used to be a major shareholder including controlling person of the entities which have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

5. Neither being nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, and not being major shareholder, controlling person or partner of the audit company which provides auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

6. Neither being nor used to be any professional services providers including the legal advisory or financial advisory services that may receive the consultant fees in the amount of more than Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, not being shareholders, the controlling person, or partner of such a professional services provider, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

7. Not being a director who has been appointed as the Company's representative, major shareholders or shareholders relating to major shareholders.

8. Neither operating the business having the same business nature which significantly competes with the Company's business or its subsidiaries, nor being a key partner or the Director who involves in managing the business, not being an employee, staff and a consultant who receives regular salary, or holding the share more than 1 percent of the total number of shares with the voting rights under the firm/ or business operators that operates the similar business nature and significantly competes with the Company's businesses or its subsidiaries.

9. Not obtaining any conditions that may obstruct the independent expression of comment on the Company's operations.

Independent directors will inspect and certify their independence at least once a year, which will be reported along with reporting information on directors' profiles at the end of the year for preparing the annual report (Form 56-1 One Report) and the annual report. of the company.

## **2) The Directors and Chief Executive Officer**

1. Holding the qualifications consistent with Public Limited Company Act, Securities and Exchange Act, Business Code of Conduct, regulations of The Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand as well as criteria of good corporate governance.

2. Obtaining the knowledge, abilities and experience in various professional fields that will be beneficial and add value to the Company.

3. Holding the qualifications which support and promote the good Corporate Governance in order to create value to the company, enable to perform the duties with accountability, care and loyalty including the time devotion.

The Election and Nomination of Directors in accordance with the procedures specified in the Company's policy. The elected Directors need to get the approval from the Shareholders' Meeting. The resolution of the Shareholders' Meeting shall be based on majority voting rights of the shareholders who attend the meeting.

In this regard, the Company provides an opportunity to shareholders to nominate the potential candidates whom may have knowledge, capability, and obtain the appropriate qualifications to be elected as directors in advance prior to the Annual General Meeting of Shareholders by publicizing via SET's communication system and the Company's website.

The Company has set the policy of appointment and withdrawal of the Director as follow;

- The Company must have a set of the Board of Directors comprising at least 5 Directors, and not less than half of the number of the Directors and all Directors must have their permanent residence in the Kingdom of Thailand. The Board of Directors shall vote the Chair of The Board of Director among the Directors, and may vote the Vice Chairman of the Board of Directors and other positions as discretion. The role of the Vice Chairman of the Board of Directors is defined in the Company's policy which assigned by the Chairman of the Board of Directors.

- The Shareholders' Meeting shall vote the Directors pursuant to the following criteria and procedures as follow;

(1) Each shareholder has voting right equivalent to the number of shares being held.

(2) Each shareholder may use all votes to elect one or more directors, in case of election the number of the Directors, but those votes shall not be divided in any proportion for the specific Director.



(3) The persons who receive the highest respective votes shall be elected as the Directors according to the positions available at that time. The Chairman of the Board of Director shall cast the deciding vote in case a voting is tie between two persons competing for one available position at the time.

- At the Shareholders' Meeting, there's the Directors may retire from their role at least one-third of the number of the Directors. In case the number of the Directors can't divide into three parts, the number of retired Directors shall be the closest number of one-third.

The Directors who retire from the role in the first year and second year of the Company's registration, those Directors may do drawing for retiring from the role. In the later year, the Directors who are in the role the longest shall be selected to retire from the role and those retired Directors may be re-elect to take charge of the role again.

- Any Director shows their intestate of resignation requires to send the resignation paper to the Company. The resignation date will be effective when the Company receives the resignation form.

Any Director resign under the condition above may report his/or her resignation to the registrar compliance with the Public Limited Company Act.

- In case the Director role is vacant due to other circumstance besides normal retirement term, the Board of Directors may select the qualified personnel who doesn't have any characteristics which may against the Public Limited Company Act and Securities and Exchange Law to be the substituted Director for the next Board of Directors' Meeting. Unless the term of the Board of Directors is less than two months. The substituted Director shall be in charge in the role until the remaining term.

The resolution of the Board of Directors as mentioned above comprising the vote not less than 3 out 4 of the number of remaining Directors.

- In case of the retirement of the whole Board of Directors team, the Directors who retire from the role may still in charge of the position in order to support the business operations until the new Board of Directors team take charge. Unless the court may order the differently in case the Board of Directors retire from the role due to the injunction.

In case the whole Board of Directors retires from the role, the shareholders' meeting needs to be held in order to elect the new Board of Directors Team to replace the previous team within one month after the previous team retires from their role. The invitation letter of the Shareholders' Meeting requires to send to the shareholders not less than 14 days prior to meeting date and the advertisement to the local newspaper requires to publish not less than 3 days prior to the meeting date as well. The advertisement to the local newspaper needs to be published in 3 days continually.

- A Shareholders' Meeting may conclude any Director to retire from the role before the term in the office with the voting right not less than 3 out of 4 of the number of shareholders who attend the meeting

and entitle to voting rights and the total number of shares not less than half of the number of shareholders who attend the meeting and entitle to voting rights.

**3) The Audit Committee**

The Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint at least 3 persons to be the members of Audit Committee. Each member of Audit Committee shall be Independent Director and shall not be the Director assigned by the Board of Directors whom making the decision on business operations of the Company, parent company, subsidiaries, affiliates, subsidiaries in the same sequence, major shareholders or controlling person and shall not be the director of the Company, parent company, subsidiaries, subsidiaries in the same sequence, only listed companies. The member of Audit Committee shall possess the qualification pursuant to Securities and Exchange Law as well as Proclamation, Regulation and/or Rules of Stock Exchange of Thailand stipulated for qualification and operating extent of the Audit Committee.

Anyhow, at least one member of Audit Committee shall have the sufficient knowledge or experience in accounting or finance in order to be able to verify the financial report reliably as well as other duties as the member of Audit Committee.

**4) Executives**

The Company has no Nomination Committee. Anyhow, the Company has the policy to recruit the person who has knowledge, competency and experience related to the Company's business.

The Chief Executive Officer is assigned to hire and appoint the persons whom have knowledge, ability, and experience in the Company's business to be the employees in several levels. In addition, the Chief Executive Officer shall appoint the supervisor or personnel to in charge of auditing and internal control. whereas the nomination needs to get approval prior from by the Audit Committee.